

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:5683
ANSWERED ON:30.08.2001
PROPOSAL TO CREATE HYDEL DEVELOPMENT FUND
BIKRAM KESHARI DEO

Will the Minister of POWER be pleased to state:

- (a) whether the Government have proposed to create Hydel Development Fund by imposing surcharge on consumers for the fund;
- (b) if so, the amount generated from the said fund;
- (c) whether the Government or Central Electricity Regulatory Commission plan to spend the collected amount for the improvement of the hydel projects;
- (d) if so, whether the State Government Hydel projects will get a share from it; and
- (e) if so, the ratio of share therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) to (e) : On the advice of the Ministry of Power, the National Hydro-electric Power Corporation (NHPC) had filed a petition before the Central Electricity Regulatory Commission (CERC), praying for levy of a surcharge of 10 (ten) paise per unit on energy available at bus bar, on the electricity generated from its generating stations. The amount collected as a result of levying such surcharge was intended to supplement the budgetary support, for accelerated hydro power development programmes. It was anticipated that it would be possible for NHPC to mobilize Rs.100 crores per annum at the rate of 10 paise per unit. CERC, in its Tariff order dated 21.12.2000 has fixed a surcharge on every bill for fixed charges (for NHPC on both capacity and energy charges) at the following rates :

National Thermal Power Corporation	5%
National Hydro-electric Power Corporation	5%
Neyveli Lignite Corporation	5%
Power Grid Corporation of India Ltd.	10%

The surcharge is intended to specifically meet a portion of the capital expenditure to be incurred by the utility for the purpose of addition of capacity. This is not available for capital expenditure relating to R&M or for replacement of existing capacity. This shall be available only for investment in the business of the electricity supply undertaking for addition of capacity. Operations exclusively within a State shall not be liable for this surcharge. The CERC had invited reactions from beneficiary States before pronouncing its order.